

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 PA-04 PRS-01 SCEM-02

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FM AMCONSUL HAMBURG

TO SECSTATE WASHDC 2713

AMEMBASSY BONN

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.O. 11652: N/A

TAGS: ENRG, ETRN, GW

SUBJECT: SITUATION IN THE GERMAN MERCHANT MARINE- BUNKERING OIL

1. IN RECENT DAYS INCREASED ATTENTION HAS BEEN FOCUSED ON THE EFFECT WHICH THE PRSNT ENERGY CRISIS WILL HAVE ON INTERNATIONAL SHIPPING AND HENCE ON INTERNATIONAL TRADE. INCREASED PRICES FOR BUNKERING OIL WILL, OF COURSE, INCREASE TRANSPORTATION COSTS, BUT OF EVEN GREATER CONCERN IS AVAILABILITY OF BUNKERING OIL. REDUCED SPEED TO CONSERVE OIL MEANS REDUCED DELIVERY AND TURN-AROUND TIMES. THIS IN TURN COULD EVENTUALLY AFFECT THE AVAILABILITY OF NECESSARY RAW MATERIALS, AGRICULTURAL PRODUCTS, ETC. THIS POST HAS THEREFORE CHECKED WITH THREE SOURCES AS TO THE PRESENT STATE OF THE SUPPLY OF BUNKERING OIL FOR GERMAN MRCHANT SHIPPING: OIL COMPANIES, SHIPPING COMPANIES AND GRAIN IMPORTERS.

2. INFORMATION RECEIVED FROM OIL COMPANIES (ESSO AND MOBILE OIL): THE SITUATION IS VERY STRAINED SINCE MOST OF THE DIESEL OIL FOR MARINE USE CAME FROM REFINERIES IN ROTTERDAM. THE COMPANIES ALREADY HAVE DIFFICULTIES IN SUPPLYING REDUCED QUANTITIES TO THEIR REGULAR CONTRACT CUSTOMERS. SHIPOWNERS WHO ARE NOT

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REGULAR CUSTOMERS ARE SUPPLIED ONLY IF THEY USUALLY BUY FROM

A FOREIGN SISTER FIRM OF THE COMPANY AND IF THE SISTER FIRM PROMISES TO REPLACE THE QUANTITY WHICH IS DELIVERED. THE FACT THAT ONLY REDUCED QUANTITIES OF OIL ARE SUPPLIED EVEN TO REGULAR CUSTOMERS FORCES THE SHIPOWNERS TO ORDER THE SHIPS TO PROCEED AT REDUCED SPEED, IN ORDER TO CONSERVE FUEL. EVEN IN OIL RICH REGIONS, AS IN WEST INDIA, SHIPS CANNOT ALWAYS FILL THEIR TANKS SINCE THE DEMAND OFTEN EXCEEDS THE AVAILABLE SUPPLY OF LIGHT AND HEAVY DIESEL FUEL.

3. INFORMATION RECEIVED FROM SHIPPING COMPANIES(VERBAND DEUTSCHER REEDER): THE PRESENT SHORTAGE OF BUNKER OIL AFFECTS ALL TYPES OF VESSELS IN THE MERCHANT MARINE, LINERS, TRAMPERS AND COASTERS. THERE ARE NOT YET ANY SHIPS TIED UP AND IDLE BECAUSE OF LACK OF OIL, BUT ALMOST ALL VESSELS PROCEED AT REDUCED SPEEDS IN ORDER TO CONSERVE ENERGY. THE SITUATION IS STILL NOT TOO BAD IN NORTHERN EUROPE, BUT IS ESPECIALLY STRAINED IN JAPAN. BUNKER OIL IS HARDLY OBTAINABLE IN DAKAR, CAPE TOWN AND IN US PORTS. SHIPPING LINES ARE CONTEMPLATING REDUCING THE NUMBER OF SCHEDULED SAILINGS STARTING NEXT MONTH.

4. INFORMATION RECEIVED FROM GRAIN IMPORTERS: THE SITUATION IS BEGINNING TO LOOK BAD. OWING TO THE FACT THAT VESSELS PROCEED AT REDUCED SPEEDS OR MAKE DETOURS IN ORDER TO FIND BUNKER OIL, DELAYS OF 10 TO 14 DAYS ARE ALREADY BEING ENCOUNTERED. (CORN FROM GULF PORTS). FOR DECEMBER AND JANUARY, FURTHER DELAYS ARE ANTICIPATED AND SHIPS MIGHT BE RE-ROUTED TO DESTINATIONS EVEN FURTHER AWAY TO FIND FUEL. DELAYS IN CONNECTION WITH THE FUEL SHORTAGE HAVE ALSO BEEN REPORTED IN RESPECT TO DEPARTURE DATES FROM EASTERN EUROPEAN PORTS. Gdynia reports delays of 3 TO 4 WEEKS AND LONGER. THE STRAINED SITUATION HAS FURTHERMORE ALSO CAUSED THE FREIGHT RATES TO GO UP CONSIDERABLY. INCREASES OF 100 PERCENT HAVE BEEN NOTED AGAINST THE RATES PAID IN SEPT/OCT. 1973. (THE INCREASE AGAINST RATES OF JUNE 1972 IS EVEN HIGHER, 300-400 PERCENT). BROGAN

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Disposition Authority: morefirh
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Disposition Date: 28 MAY 2004
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